bility were considered for setting up of LPG distributorships, However, as per latest policy of the Government, LPG marketing is also being extended to rural areas contiguous with Urban areas to offer adequate potential for commercially viable distributorships.

Accordingly, periodical feasibility surveys are conducted by the Industry to identify such locations and these are included in the prospective Marketing Plans and taken up for development in a phased manner based on the availability of LPG.

To begin with, the Oil Industry have formulated the Marketing Plan for 1994-% identifying some locations where adjoining rural areas including bigger villages, could be taken up for marketing of LPG to make the distributorships viable.

Decline in the Profits of REC

719. DR. JAGANNATH MISHRA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that profitability of Rural Electrification Corporation has been showing a declining trend since 1991-92;

(b) if so, the reasons therefor; and

(c) the remedial steps taken in this regard so far and with what results?

THE MINISTER OF STATE IN THE MINISTRY OF POWER AND MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (DR. S. VENUGOPALACHARI) (a) and (b) Rural Electrification Corporation (REC) was earning profits till the year 1991-92 under the "accrual" system of accounting. With the deterioration of the financial position of the State Electricity Boards (SEBs) there was an increase in the defaults in the repayment of loan dues of the REC by the SEBs. REC changed the basis of accounting of interest income from "accrual" basis to 'cash' basis from the financial year 1992-93. As only the actual interest income realised from the SEBs is reflected in the 'cash' basis of accounting, there has been a decline in the profitability of the REC from the financial year 1992-93 onwards.

(c) The steps taken to improve the financial position of Rural Electrification Corporation (REC), inter-alia, include recovery of outstanding dues of the SEBs through deduction from Central Plan Assistance to the States and also taking up the matter regarding recoveries of dues at the highest levels of the State Govern-ments'State Electricity Boards, both by the REC and Government of India.

Housing Loans by HUDCO to Gujarat

720. SHRI AHMED PATEL: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that HUDCO provides loans to State Governments for construction of houses for Economically Weaker Sections (EWS) and Low Income Group (LIG) families;

(b) if so, what are the details thereof;

(c) the loans sanctioned and released by HUDCO to Gujarat Government during the last three years, year-wise.

(d) whether HUDCO monitors progress made by the States in the housing sector, with its loans;

(e) if so, whether such exercise has been done in respect of Gujarat; and

(f) if so, the results and the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT AND MINISTER OF STATE IN THE